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CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

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CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

TECHNICAL ADVISORY COMMITTEES (TAC) DEBT MEETING APPROVED MINUTES

Wednesday, November 6, 2002
1 pm

915 Capitol Mall, Room 587
Sacramento, California 95814

OPEN SESSION

1) CALL TO ORDER AND ROLL CALL

Debt TAC Chair Tim Schaefer called the meeting to order at 1:00 pm. TAC members present at the meeting included: Leonard Berry, Robert Black, Rafael Costas, Roger Davis, Mike Klugman, Eric Hoffman (for Kenneth Kurtz), Norma Lammers, Monique Moyer, John Murphy, Tim Schaefer, Dawn Vincent, Tim Youmans, and Steve Zimmermann.

2) BUSINESS ITEMS

a. Welcome

California Debt and Investment Advisory Commission (CDIAC) Executive Director Lisa M. Harris welcomed TAC members to the meeting.

b. Review of CDIAC Accomplishments for 2002

TAC members were provided with a review of the programs that CDIAC's Education and Outreach Unit has held in calendar year 2002 as well as the accomplishments of the Policy Research Unit and the Data Collection and Analysis Unit.

TAC members learned about CDIAC staff's Strategic Planning Session held August 2002, which resulted in identification of CDIAC's strengths and weaknesses and staff's vision for the future. One of the outcomes was implementation of a new application period for TAC members. This is to ensure that the TAC is meeting CDIAC priorities, which now includes economic developing financing. CDIAC is also interested in ensuring that the TAC has greater representation from issuers and related associations. More information on this effort will be sent to TAC members in early 2003.

c. Outstanding Debt Report

TAC members received an update on the *Outstanding Debt Report*, which has been published and currently includes data only on general obligation debt due to discrepancies in the data for the other debt types.

d. Debt Primer Update

TAC members received an extensive list of topics that CDIAC and others have identified to be included in the *Debt Primer* update. TAC members were encouraged to review the list and get back to CDIAC by the end of December with any additions. The timeline for issuing a Request for Proposal

to update the *Debt Primer* is tentatively planned for spring 2003 depending upon the budgetary situation.

TAC members also received an update on the *Investment Primer* from Tim Schaefer, a member of the consortium working on the document. The document is currently in draft form.

e. Outline of CDIAC Plans for the Future

CDIAC staff presented its plan for calendar year 2003 for both Education and Outreach and Policy Research Units.

Specifically, Mark Campbell discussed a land-based forum that he will be coordinating to be held in the spring of 2003 in both Northern and Southern California. The forum is designed to convene issuers and professionals in the land-based area to focus on specific topics that would provide feedback and documentation for future CDIAC research efforts. The meetings will be half-day events and the first meetings will focus on the existing appraisal guidelines so that they can be updated and revised.

Mr. Campbell also indicated that it was that point in the year where legislative proposals are being submitted and to let CDIAC know if there are any legislative ideas that TAC members would recommend.

He also highlighted a pending court case involving an assessment bonds action involving 1911 Act bonds. He explained how CDIAC had reviewed the case but wanted input from the TAC. It was discussed that 1911 Act bonds make up such a small part of land deals that there is no action necessary in this matter.

TAC members also forwarded ideas for future programs/projects including:

- Working with Proposition 218 and how to structure and access fees/charges in these tight budget years;
- Information on California issuers' compliance with ongoing disclosure;
- A one-day program on the ongoing administration of debt issuance after bonds have been issued; and
- An interest rates swaps program designed to be a "peer" session where issuers and analysts come together to discuss the suitability issues with utilizing this financing option.

Steve Zimmermann announced a new service being offered by Standard & Poor's that allows issuers to call a disclosure service number to get both pre- and post-sale CUSIP numbers. The issuer is allowed to get CUSIP numbers only for his/her own issue and it is planned that this service will be accessible on the web in the first quarter of 2003.

f. Next Meeting of the TAC

A discussion was held regarding whether there was any interest in a meeting in December followed by a holiday celebration. It appeared that there was no consensus to have a meeting in December and so CDIAC staff will plan on having the next TAC meeting in March 2003.

3) PUBLIC COMMENT

There was no public comment.

4) ADJOURNMENT

The meeting adjourned at 2:20 pm.